

Internal Revenue Service

Department of the Treasury

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Washington, DC 20224

Person to Contact:

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CC:ITA:4 – COR-141961-01

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Date:

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Dear [REDACTED]:

This letter provides general information in response to your letter of July 30, 2001, concerning whether your father could have claimed an exemption for you on his tax return filed this year. You state that you live with your father, that your only income is SSI, and that you are on Medicaid.

Section 151 of the Internal Revenue Code allows a taxpayer an exemption for a dependent as defined in §152. Section 152(a) defines the term "dependent" to include a taxpayer's son, if the taxpayer provided over half of the son's support for the calendar year.

Section 1.152-1(a)(2) of the Income Tax Regulations provides that in determining whether a taxpayer provided over half of an individual's support, the amount of support received from the taxpayer must be compared to the entire amount of support that the individual received from all sources. The regulation states that the term "support" includes food, shelter, clothing, medical and dental care, education, and similar items. If an item of support furnished an individual is in the form of property or lodging, the amount of the item must be measured in terms of its fair market value. Social Security Act benefits received by an individual and expended for his support are included in the total support received from all sources.

Thus, in summary, for the support test to be met, your father must establish the total amount of support you received from all sources and that he provided over half of that support. Included in the total amount of support you received is the amount of the SSI payments that were expended for your support and the fair market value of the lodging your father provided for you. Assuming the support test is met, along with the other tests for claiming a dependency exemption, your father may claim an exemption for you. We have enclosed an extract from Publication 17, Your Federal Income Tax, which explains this subject in greater detail, including an example on page 27.

I hope this information is helpful to you. If you have any questions, please call Victoria Driscoll at (202) 622-4920.

COR-141961-01

Sincerely,

Associate Chief Counsel
(Income Tax & Accounting)

By: _____

Robert A. Berkovsky
Chief, Branch 4

Enclosure